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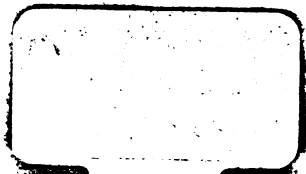
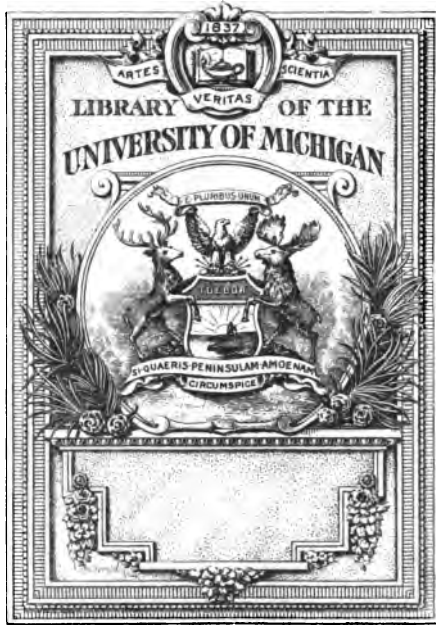
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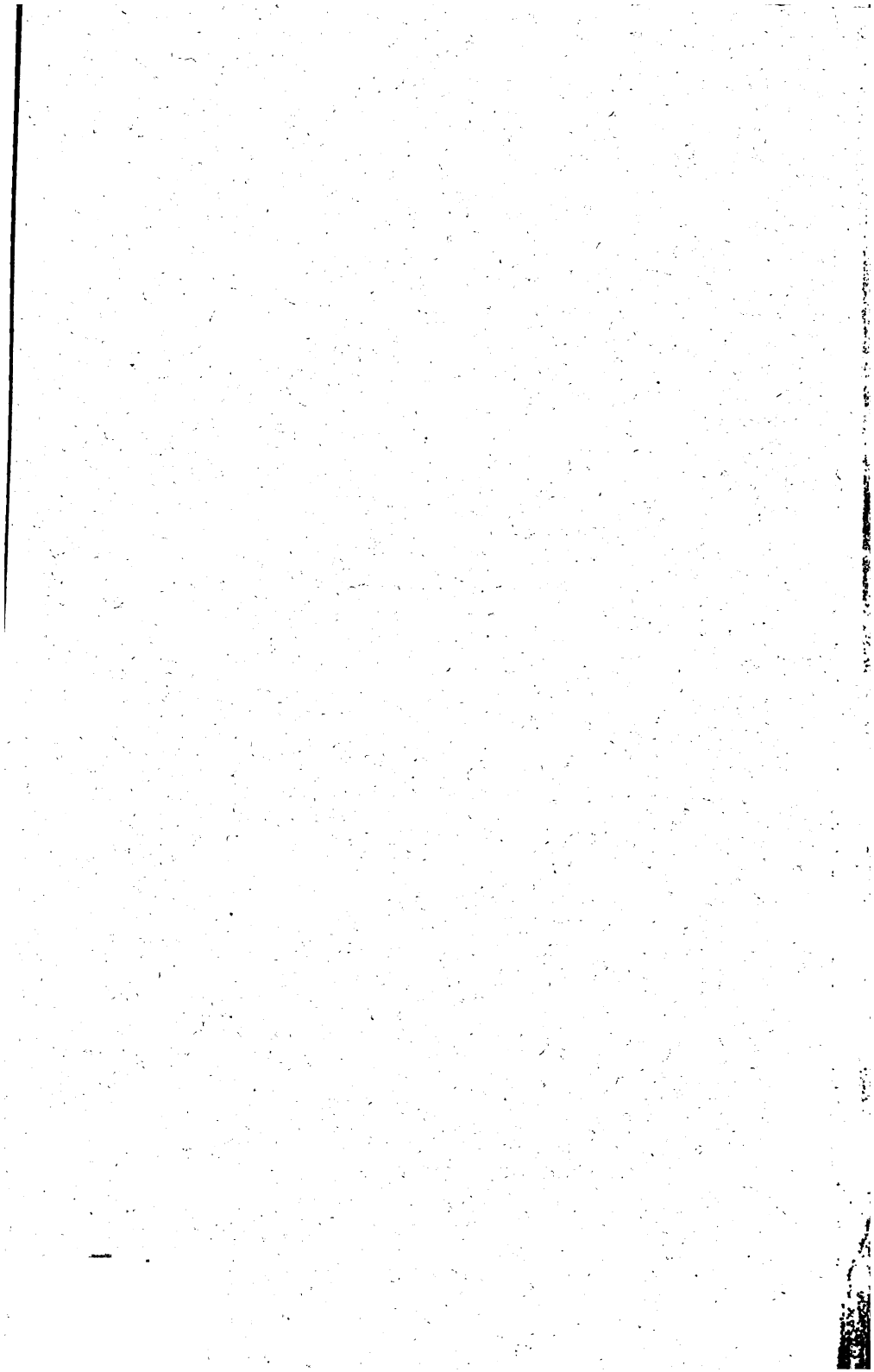
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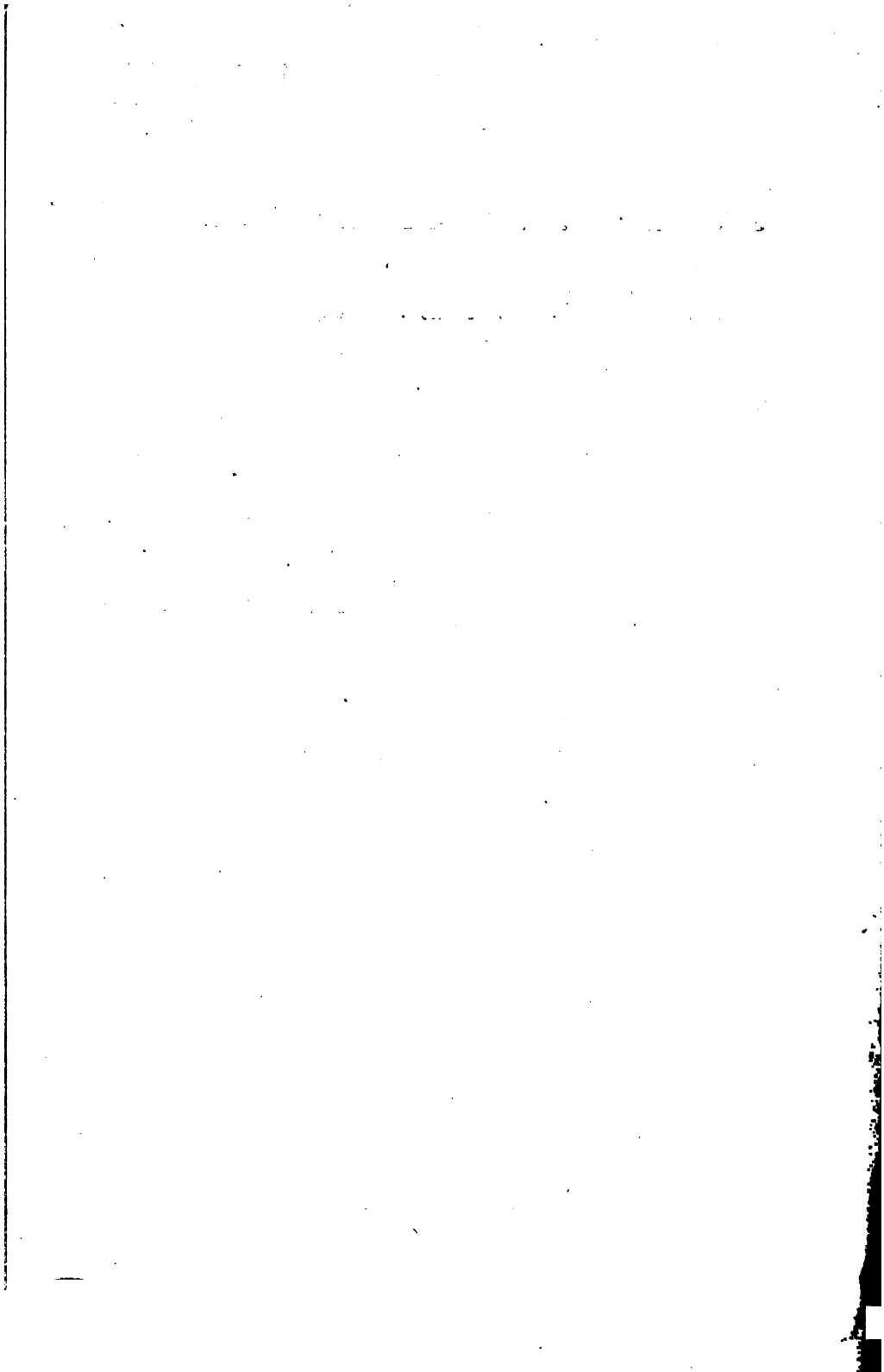
**THE TRADE OF  
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An Epitome of Statistics showing the Comparative Growth of the Foreign Trade of the Great Nations during a Quarter of a Century, with especial reference to the Foreign Trade of the United Kingdom.

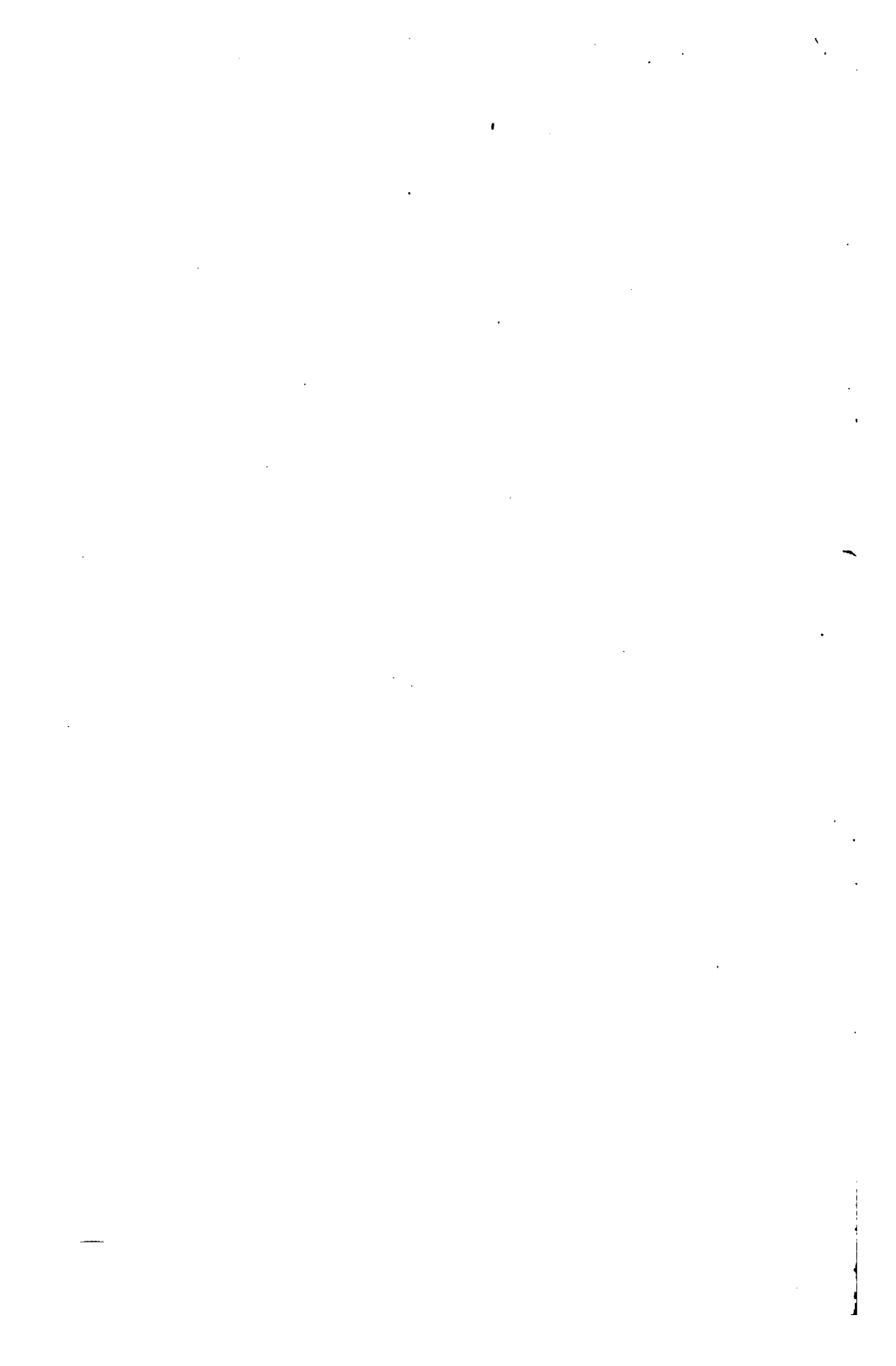
BY  
**MARK WARREN.**

**LONDON: P. S. KING & SON,  
ORCHARD HOUSE, WESTMINSTER.**

**1903.**



THE TRADE OF THE GREAT NATIONS.





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## PREFACE.

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THE object of the first part of this little work is to represent the material facts of the growth of each of the four great trading nations' foreign trade in as lucid a manner as is consonant with an accurate and synoptical treatment of the vast interests involved. The object of the second part is to throw some little light upon the actual position of England amongst the trading nations. In each part controversial statements bearing upon the matter of commercial policy have been rigorously excluded.

The citation of those masses of unwieldy statistics whose perusal is a mortification to the flesh has been obviated by the use of diagrams and the preparation of concise tables. No pains have been spared in obtaining reliable data, or in condensing the essential figures.

Practically this treatise is a re-arrangement of an article which appeared in the pages of the *Contemporary Review*.<sup>1</sup> For the privilege of being allowed to make use of that article the author is indebted to the Editor of the Review, Mr. Bunting.

<sup>1</sup> May, 1903, "The Trade of the Great Nations," Mark Warren.



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# THE TRADE OF THE GREAT NATIONS.

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## PART I.

### CHAPTER I.

#### INTRODUCTION.

§ 1.—Few subjects possess a greater intrinsic interest than that of international trade. In the case of many nations it is a subject of life and death practically, trade being the life-blood. Anything which affects, or in any way influences, the growth of trade of any nation—however small the change may be—exerts an appreciable influence upon the well-being of the trade of other nations. The growth of trade is bound up so intimately with the national existence that its proper consideration is of the greatest importance.

§ 2.—Many comparisons, particularly those dealing with international trade, are rendered practically useless owing to being limited to a few particular branches of the subject; the danger of such comparisons is that the broad essential facts, which a concise review of the whole subject would reveal, are liable to be overlooked by too close attention to details. To the would-be statist, especially, the subject of international trade presents a most fascinating topic upon which to base his elaborate assertions and conjectures, usually pessimistic: a very

ordinary method of forming these wonderfully and fearfully-made speculations is to take those branches of trade which show a shrinkage, and to compare them with the corresponding branches of some foreign country which show an enlargement—thus, in fact, to look at one side of the shield only. These pseudo-presentments of the commercial situation are often elegant examples of profound reasoning combined with acute perception, but the excellence of the sequential inferences is vitiated by the premises being radically wrong.

§ 3.—Those who have paid any attention to the great facts of international trade are well aware of the co-relation and interdependence of apparently utterly incongruous influences. It is therefore obvious that in a thorough comparison of the great trading countries everything bearing upon the subject should be admitted to consideration, even when its apparent irrelevancy and triviality do not seem to warrant its admission into a serious review of the subject. I hope this epitome will do something to clear away the difficulties which surround the subject, by exhibiting the actual progress of trade.

§ 4.—The present review is concerned with the consideration of only the foreign trade of the great nations. The far more important home trade cannot be compared. In the case of the United Kingdom it is a lamentable fact that the real extent of the home trade is involved in darkness most profound: there are no reliable statistics bearing on the subject, despite its vast importance; accordingly the consideration of the relations of the internal and the external trade is obscured.<sup>1</sup> For the

<sup>1</sup> Mr. Andrew Carnegie has pointed out to me that the statement on p. 27 (Part II., § 11)—“... it is evident that England still holds the predominant position as a manufacturing nation”—strictly should read “as a nation manufacturing for export,” and further that “The value of United States manufactures in 1900 was \$13,000,000,000 (Statesman's Year Book, 1903), or £2,700,000,000: Britain's manufactures have been estimated at £800,000,000.” Unfortunately these figures are not comparable; the total value of

## THE TRADE OF THE GREAT NATIONS. 3

present comparison I have thought it best to restrict the examples to the foreign trade of the four great trading nations—that is, to the United Kingdom, France, Germany, and the United States.

the manufactures of the United States, as officially classified, exceeds the former amount, while the latter estimate avowedly is based upon very imperfect statistics, of a different nature. The statistics concerning the internal trade of the United Kingdom are needed greatly, but it is highly improbable that a Government will be found so enlightened as to furnish the data unless under great pressure: the expenditure thus necessitated would not be "popular" in the common acceptance of the term. The importance of a large home market to an exporting nation is argued by Mr. Carnegie in the thoughtful rectorial address delivered at St. Andrews in 1902.

## CHAPTER II.

### TOTAL TRADE.

§ 5.—The first comparison naturally is that of the total foreign trade of the great nations. In the case of nations which are not living upon their capital this comparison of the total trade yields the best evidence of relative commercial progression. The first diagram, given on the following page, explains itself. It illustrates the progress of the commerce of each nation during the quarter of a century ending with 1900. The years 1901 and 1902 appear also, but all the figures for the latter year cannot be given, as the official figures for the total general trade are not available yet in some cases. The whole of the figures given are those obtained from the publications of the respective Governments.

§ 6.—The diagram represents the values of the total "general" trade of the nations during the period of twenty-five years commencing with the year 1876 and ending with the year 1900. In the case of Germany, however, the values for the years 1876—1879 are those of the total "special" trade, owing to the fact that prior to the year 1880 the statistics of German imports and exports were inadequately organised. It must be mentioned that the figures for the United States are given for the respective fiscal years ending on the 30th of June: thus the year 1902 is actually the fiscal year beginning the 1st of July, 1901, and ending the 30th of June, 1902.

§ 7.—Referring to the diagram, it will be seen that the periods of increasing and decreasing foreign trade show an approximate coincidence in the case of the great trading nations. The years 1883 and 1890 were very

THE TRADE OF THE GREAT NATIONS. 5

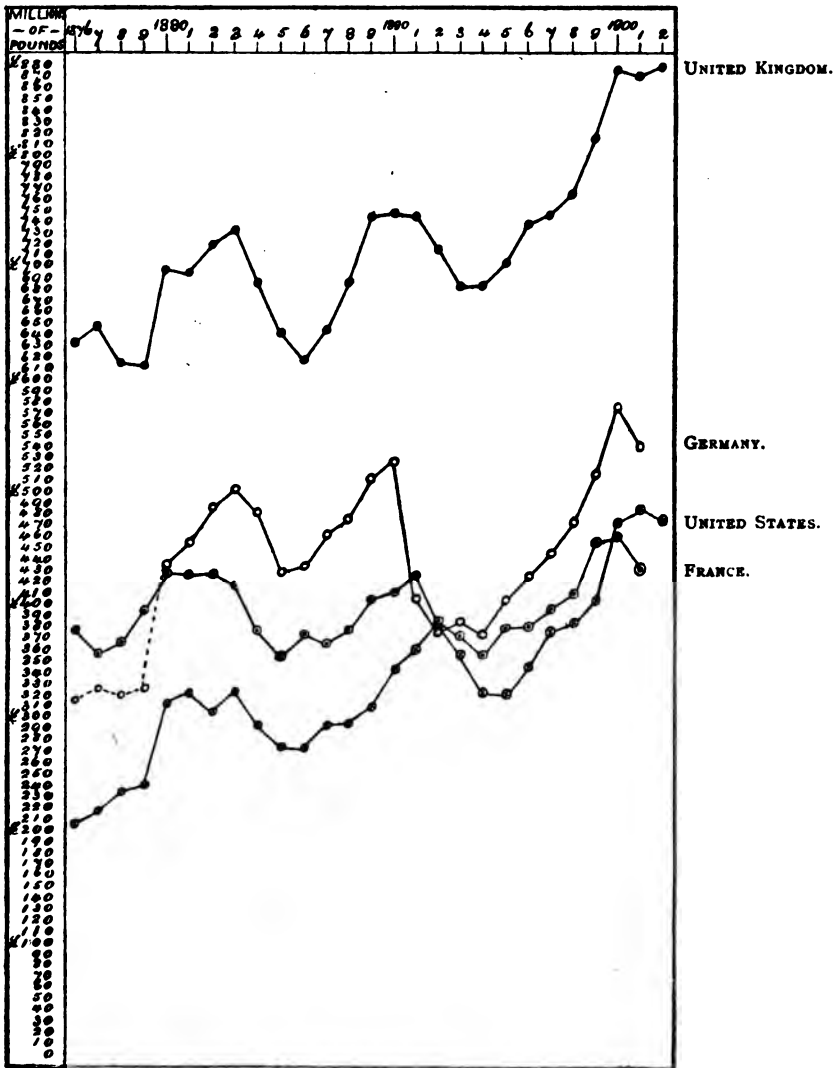


DIAGRAM SHOWING PROGRESS OF TOTAL GENERAL TRADE, 1876 TO 1901-2.

good ones, as far as the value of the general trade is concerned, while the years 1885 and 1894 were bad ones; in the case of the United Kingdom the values for the last year have obtained a height hitherto unexampled. The facts conveyed by the diagram will be better comprehended after the imports and exports have been dealt with severally. However, it will be seen at once that the United Kingdom holds the predominant commercial position. From 1880 to 1890 Germany was England's most dangerous rival, but the year 1891 saw a prodigious decrease of no less than £123,115,000 in the total general trade of that country. Since 1894 the value of the total general trade of Germany, in common with that of the other nations, has increased continuously, and Germany still is second to England. It will not fail to be noticed that in 1892 the value of the foreign trade of the United States of America exceeded that of Germany by some ten million pounds. In the following year America dropped to the fourth place among the trading nations, but in 1900 it displaced France after a close race of many years. France held the second position in the period 1876—1879, and also in 1891—1892. England's premier position has never been menaced seriously. It is not necessary for me to deal further with this subject, as the diagram presents the matter so clearly; the whole space occupied by this paper would be required to enter into a thorough explanation, and then would scarcely render the facts more obvious or more easy of assimilation.

§ 8.—The relative value of the trade returns of the various countries, and the amount of reliance to be placed on the figures representing the value of the imports and exports, are imperfectly understood by the average individual; the trust placed in them is often closely akin to fetish worship. Unfortunately these figures are by no means perfectly comparable; each country has its own method of obtaining and estimating the values, and very

great differences occur. In England the Custom House authorities take the figures from declarations filled in by interested parties. The value of the imports is increased—perhaps 15 or even 20 per cent.—by the figures including, in addition to the value of the merchandise, the freight, insurance, and other incidental charges up to landing on the quay. On the other hand, the United States authorities value the goods at the place of departure, and not at the place of arrival. In Germany prices are reckoned from the average values fixed annually by a commission of experts; Customs duties, cost of transport, insurance, warehousing, etc., are not included in the price of imports. The French officials fix annually upon certain values from which provisional results are obtained, the definite statistics being obtained from an annual retrospective revision. In short, each country has its own system of valuation. There are numerous difficulties in the way of strict comparison; for instance, in 1897 a great change was made in the system previously pursued in drawing up German statistical returns of trade. This alteration caused an additional value of about four million pounds to be added arbitrarily to German exports, and one of about three million pounds to be added similarly to German imports in the 1897 special trade, which increases were not in any sense an expansion of commerce. In the case of England the value of new ships had no appearance in the returns prior to 1899.

## CHAPTER III.

### IMPORTS.

§ 9.—Having reviewed the total general trade of the trading countries during the twenty-five years, it becomes necessary to deal with its great divisions—the goods

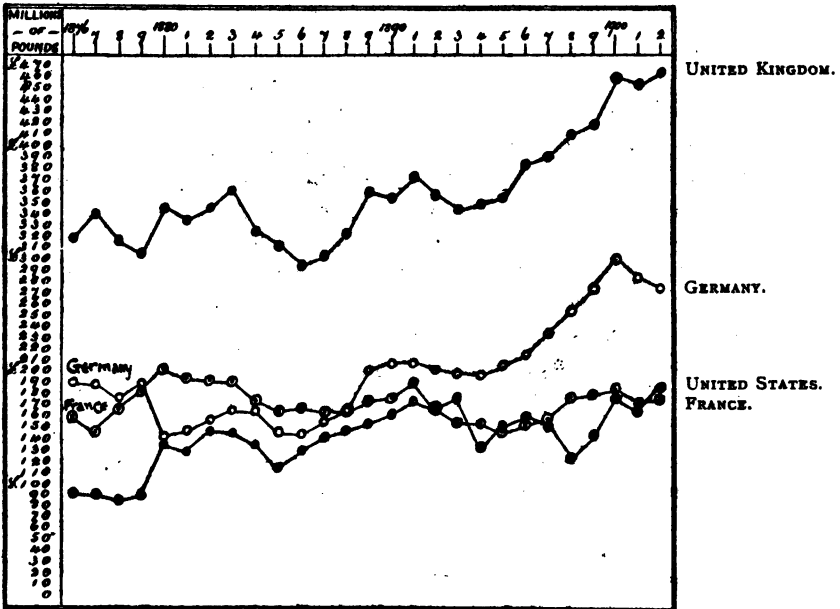


DIAGRAM SHOWING PROGRESS OF SPECIAL IMPORT TRADE,  
1876—1902.

coming into the countries, and the goods going out. First comes the consideration of the imports; in this comparison, and also in the comparison of the exports, the "special" trade only is taken into consideration.



“Special” imports are those articles of merchandise brought into a country for home consumption only. In the case of the United Kingdom I have put down the net imports—the imports after deducting the re-exports. The values of the merchandise imported by each of the four countries during this generation are vividly delineated in the form of a diagram.

§ 10.—The foregoing graphic representation may be compared instructively with its preceding diagram. The most striking fact is the immense superiority of the import trade of the United Kingdom; the value of these imports shows an unparalleled advance, and this increasing value progresses at a great rate. The values of the imports of Germany, France, and the United States exhibit striking vicissitudes; this is especially noticeable in the lustrum 1876—1880. The movement of the United States imports is particularly erratic during the long period shown.

§ 11.—It will be understood, of course, that throughout this paper the subject treated is the value, and not the bulk, of trade; thus in some years the actual bulk of trade may show a shrinkage while the value of the merchandise shows an expansion. It is scarcely necessary to remark that the tendency of modern times is for the bulk of trade to increase at a much greater rate than the value. This, of course, is mainly owing to the fall in prices caused by cheaper methods of production. As is well known, this lowering of prices, by the action of increased production, is a characteristic economic fact in accordance with which the bulk of trade in every country has been greatly enlarged in comparison with the value.

## CHAPTER IV.

### EXPORTS.

§ 12.—The values of the exports for the last twenty-five years are graphically depicted in the diagram on the next page. As already explained, it is the special trade which is dealt with. The "special" exports consist of articles of merchandise which are of home production; that is to say, of which the country of origin is the country sending the goods out :—

§ 13.—Here the position of the United Kingdom differs from that shown in the preceding diagrams, inasmuch as it has been displaced from the lead in two latter years. The United States has made rapid strides, and from a position of intimate rivalry with France and Germany has entered into keen competition with the United Kingdom. From the lowest position in 1876, it attained the highest in 1898, and fell to the second in the following year. In 1901 the American exports surpassed all former records, but in 1902 the United Kingdom again held the leading position. Germany has made good progress, but France, from the second position in 1876, has been left in the rear. It will be noticed that the values of the goods exported from the United States exhibit a most erratically fluctuating series, the amounts rapidly alternating. This is not the case with the special export trade of France.

This comparison does not take into consideration the value of several large items which are of the nature of exports, but which do not figure in the returns. The value of these "invisible exports" is very great in the case of the United Kingdom. Were these to be included in the statistics from which the following chart was

THE TRADE OF THE GREAT NATIONS. 11

prepared, they would cause the United Kingdom to occupy a much higher position when compared to the other nations.<sup>1</sup>

§14.—Perhaps it will be as well to mention that an export trade of a high aggregate value is by no means synonymous with a very prosperous condition of national industry. Stagnation in the home market and profitless activity in the foreign markets often go together. Over-production is often the cause of an increased export trade,

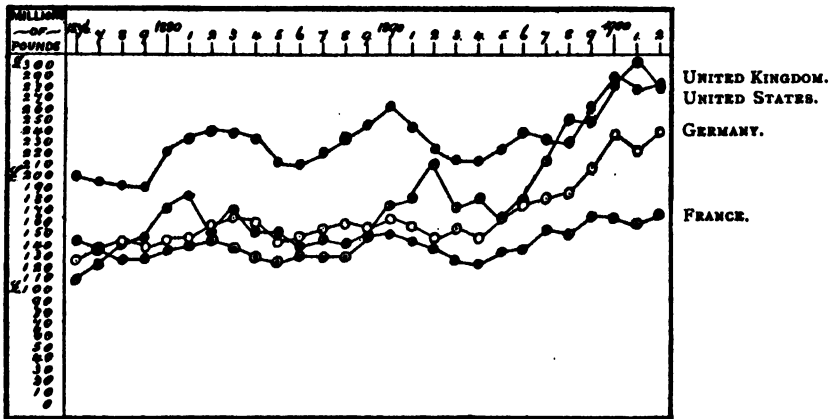


DIAGRAM SHOWING PROGRESS OF SPECIAL EXPORT TRADE, 1876—1902.

as in the case of Germany during the last recorded year; the German merchants had such a glut of native merchandise that they were compelled to export it at ruinous prices. When the figures for the American export trade during recent years are analysed, they are not so satisfactory as they appear to be at first sight. It is necessary, therefore, to take into consideration a large number of ancillary circumstances. There is little doubt that England's export trade is not only a big one, but a profitable one also. England's position greatly differs

<sup>1</sup> See Part. II., § 8 (page 24).

## 12 THE TRADE OF THE GREAT NATIONS.

from that of America, an indebted country, with heavy debts to clear off, an operation which will occupy a long period. This brings the important matter of capital into the reckoning. It must be taken into account that acquired capital and skill are not lightly swept away, and that they cannot be created by the wave of a wand. Nations can borrow, however, and may pay the interest by increased exports.

## CHAPTER V.

### THE THREE DIVISIONS.

§ 15.—As stated previously, the comparison of merely a few particular branches of trade, as a criterion of the growth of commerce and industry, is not only useless, but is positively misleading. Some have gone so far as to assert that seeing that the output of British iron-ore has decreased since 1882, and the output by the other chief trading nations has greatly increased, therefore the trade and industry of the United Kingdom are in a state of senile decay. Such statements are absurd, of course. I wish to emphasise the utter unprofitableness of partial comparisons and the rank absurdity of comparisons which deal with only isolated and abnormal growths of trade. It is absolutely essential, in order to avoid false conclusions, that the subject should be dealt with as a whole and not as a collection of disconnected parts which may be adverse in detail. Although these comparisons of isolated branches of production and commerce are by themselves practically useless, yet the consideration of the chief divisions of the great nations' commerce is fraught with considerable utility.

It will be advantageous, therefore, to discuss now the three sections, in order to get a further insight into the chief groups under which the trade of the various nations shows a collective increase or decrease. It would occupy considerably more space than can be spared to give the results from 1876, therefore I have given the figures for the years 1894 to 1900 inclusive. While I have endeavoured to group the same classes of trade under the same general headings, yet these classes frequently overlap, and it would not be practicable to give them in detail. The division of merchandise into manu-

## 14 THE TRADE OF THE GREAT NATIONS.

factured articles and raw and semi-manufactured materials is difficult, owing to the fact that so-called manufactures, even of an advanced kind, are often the raw materials of other industries. Under the heading of manufactured goods the United States includes merchandise which would not be classed so in England ; an example is that of refined mineral oils, which account for a large sum in the category of manufactured articles. For the purposes of this comparison the figures given in the table (page 15) are approximately correct. The leading classes of goods contained in each division are specified.

§ 16.—The table (page 15) gives the salient divisions of the imports and exports of merchandise during seven consecutive recent years. The whole of the trade shown is special with the exception of the British and Irish exports, which are general. The table is arranged in such a manner that it exhibits concisely the alterations of trade during the septenary ; for purposes of comparison the mean trade of each country is given under each of the three divisions. This classification is worthy of more than passing attention, and will repay careful examination, as it yields many interesting results.

§ 17.—It will be noticed that nearly one-half of the total imports into the United Kingdom consists of articles of food, while only about one-sixth consists of manufactured articles. The United States and the German series of imports of manufactured articles show the greatest relative percentage value ; the French and the English series the least. France imports raw, etc., materials to the value of more than 58 per cent. of the total goods.

Turning to the exports, results no less noteworthy are found. Here it will be seen that the enormous proportion of 85·2 per cent. of the value of the special exports from the United Kingdom consists of manufactured articles ; this proportion is unapproached by any other of the nations. Articles of food, etc., and raw, etc., materials are together only responsible for a proportion of 14·8 per cent.

TABLE SHOWING VALUE PER CENT. OF THE THREE PRINCIPAL DIVISIONS OF IMPORTS AND EXPORTS (SPECIAL).

	IMPORTS.				EXPORTS.			
	Per cent. of Total Value				Per cent. of Total Value.			
	United Kingdom.	Ger-many.	France.	United States.	United Kingdom.	Ger-many.	France.	United States.
ARTICLES OF FOOD AND LIVE ANIMALS:— (Includes Horses, etc.; Bread- and Food- stuffs generally; Fruits; Spices; Seeds; Beverages; Salt; Ice; and some- times Tallow; Tobacco; etc.)	1894 47.2 1895 46.3 1896 34.4 1897 46.3 1898 47.6 1899 46.9 1900 45.4 ... 40.5	36.5 33.7 34.4 34.5 35.8 31.5 30.6 33.9	31.1 27.8 26.5 26.0 33.7 21.1 17.4 26.2	43.3 31.0 30.1 32.3 29.1 28.8 26.5 31.6	5.3 5.2 5.3 5.7 5.6 5.2 5.0 5.3	14.0 12.5 12.8 14.2 13.4 11.4 11.2 12.8	21.6 17.5 19.2 20.0 18.9 16.3 18.7 18.9	72.3 69.7 66.0 66.2 70.5 62.4 62.2 67.0
<i>Average</i> ...								
RAW AND SEMI-MANUFACTURED MATERIALS:— (Includes Textile Materials generally; Hides; Petroleum; Minerals; Timber; Waste; etc.; and sometimes Tobacco; Fish; Oils; etc.)	1894 35.9 1895 35.6 1896 35.6 1897 34.8 1898 33.9 1899 34.3 1900 36.8 ... 35.3	42.3 43.8 43.8 44.9 44.2 47.6 48.6 45.0	54.7 56.5 57.2 58.6 52.5 62.8 64.6 58.1	19.9 25.6 26.6 26.3 32.2 33.5 33.8 28.3	9.2 8.1 7.4 8.6 9.0 10.0 14.4 9.5	22.6 21.8 21.9 22.4 22.8 24.1 24.1 22.8	24.5 25.9 24.6 26.2 26.5 29.3 26.4 26.2	6.6 7.1 7.5 6.9 5.5 7.2 7.5 6.9
<i>Average</i> ...								
MANUFACTURED ARTICLES:— (Includes Manufactures of all kinds; Chemical Products; Papers; Books; Pictures; and sometimes Metals; Drugs; Luxuries; etc.)	1894 16.9 1895 18.1 1896 18.4 1897 18.9 1898 18.5 1899 18.8 1900 17.8 ... 18.2	21.2 22.5 21.8 20.6 20.0 20.9 20.8 21.1	14.2 15.7 16.3 15.4 13.8 16.1 18.0 15.7	36.8 43.4 43.3 41.4 38.7 37.7 39.7 40.1	85.5 86.7 87.3 85.7 85.4 84.8 80.6 85.2	63.4 65.7 65.3 63.8 63.8 64.5 64.7 64.4	53.9 56.6 56.2 53.8 54.6 54.4 54.9 54.9	21.1 23.2 26.5 26.9 24.0 30.4 30.3 26.1
<i>Average</i> ...								

of the total value of exports. The vast increase in the value of coal exported from England has had an appreciable influence in augmenting the percentages of exports of raw materials: the value of this item in 1896 was £15,156,000; in 1900 it was £38,620,000; and, of course, this increase had the effect of decreasing the percentage of the manufactures division. This is another example of the difficulty in effecting comparisons, for a considerably greater amount of labour is involved in the coal trade than in the trade of many manufactured articles which bulk largely in the returns. There is an incessant change in the character of England's foreign trade. The constituent exports do not retain their relative proportions, but displace one another, some dwindling, some increasing; there is no uniform expansion, but a decided general advance. With it all, the great divisions are wonderfully stable.

Germany follows the United Kingdom with an export of manufactured articles having a comparative value of 64·4 per cent. The value of the exports, in this group, from the United States is only 26 per cent. of the value of its total special exports, but the value of the articles of food, etc., exported amounts to little less than 67 per cent. The other relationships will be found almost as noteworthy and remarkable, but, as the table presents them so clearly, no further explanation really is necessary. However, before leaving this branch of the subject, it is interesting to know that textile fabrics account for by far the largest portion of the British and Irish export trade; locomotives and other machines only amount to about 7 per cent. This trade in textiles is not in the best of conditions at present, but in the case of Germany the state is far worse. The reports for the last recorded year show that the principal German firms engaged in the worsted industry announced a loss of money aggregating to £1,000,000, although handsome dividends were paid in previous years.



## CHAPTER VI.

### MUTUAL TRADE.

§ 18.—It is very instructive to observe the mutual trade of the great nations—that is, the value of the trade each nation has with each of the others. The table below contains this information in a compact form. For purposes of easy reference and comparison I have transmuted the values from the original currency into pounds sterling. The trade is given for the year 1900.

TABLE SHOWING MUTUAL TRADE (SPECIAL).

HOME COUNTRY.	FOREIGN COUNTRIES.				
	United Kingdom.	Germany.	France.	United States.	
United Kingdom	Imports	—	1900. £31,182,000	1900. £53,619,000	1900. £138,789,000
	Exports	—	£28,000,000	£19,978,000	£19,781,000
Germany	Imports	1900. £42,078,000	—	1900. £15,725,000	1900. £50,180,000
	Exports	£45,688,000	—	£13,925,000	£21,979,000
France	Imports	1900. £27,009,000	1900. £16,927,000	—	1900. £20,217,000
	Exports	£49,101,000	£18,433,000	—	£10,109,000
United States	Imports	1900-1. £29,873,000	1900-1. £20,926,000	1900-1. £15,721,000	—
	Exports	£130,046,000	£39,240,000	£15,923,000	—

§ 19.—The preceding table deals with the special trade. The imports opposite each country show the value of the

goods bought for home consumption, while the exports show the value of the domestic produce sold. The two classes of trade, special and general, should not be confounded. While the value of the English special exports to Germany in 1900 amounted to £28,000,000, yet the total exports—that is, the combined exports of domestic, foreign, and colonial produce—amounted to £38,543,000. This is one of the reasons for the apparently glaring discrepancies; in addition there are transport and other charges, besides the difference in the methods of valuation, to which allusion has been made. France paid thirteen and a half million pounds for the freight on its total imports for the year; as English ships carried over 43 per cent. of the tonnage which entered, the next foreign competitor being Germany, whose ships carried 8 per cent., it follows that here is a brilliant example of “invisible” English exports, or of the manner in which the available trade returns imperfectly represent the actual trade of the nations. The value of the total English exports to France was £25,877,000, and to the United States £37,344,000 during the same year. In the year ended June 30th, 1901, the United States sent no less than 42 per cent. of its exports to the United Kingdom; 17 per cent. of its imports were English.

England is the best customer the other nations possess; as a glance at the table will show.

§ 20.—It would be instructive, doubtless, to deal here with various considerations which have important bearings upon the prime subject. Such are acts of protection, some of the most interesting of which are the rebates granted by several countries upon the transport rates for native merchandise. To the same class belong the actions of big “combines” and “trusts.” Then there is the matter of bounties. All these considerations, and many others, must be passed by, although they affect appreciably those immense commercial and political interests which are now so involved and agglutinated.

situation it seems decidedly absurd to brand all our

merchants and manufacturers as being dolts and idiots, blind to their best interests, deaf to the adjurations of their well-wishers, and insensible to the promptings of professional pride. Clear-seeing observers know how well the effusions of ignorance and constantly repeated misstatements combine to give a semblance of reality to the grossest fiction. Besides the old-fashioned croakers there are known to be ingenious foreign advertisers whose only chance of success in trade lies in utilising those business methods which were brought to a high state of perfection by a famous Transatlantic showman. Brag, utterly unprincipled statements, and an entire absence of fair play are often highly successful, but are sometimes too obvious. The vituperation of all our commercial methods by crafty competitors, and by the friends of the commerce of every nation but their own, has gone so far that signs of a reaction are not wanting. What is the extent of our degradation as a commercial nation? How far has the rot of our commerce proceeded? These are grave questions that many put, and they are partly answered by the facts given in the first part of this little work.

§ 2.—Are there any signs that English trade is really rotting? None have been discovered so far, but I will carry these investigations a step farther, and will compare the nations man for man for a fairly long period of time. On the next page is a table which shows the value of the special trade of the nations per head of the population for a period of over a quarter of a century. The average annual values are given for periods of five years each—six years in the case of the last period.

§ 3.—The table (page 21) gives not the slightest evidence of a decline of the United Kingdom's trade; on the contrary, it shows that it is well to the fore, both the imports and the exports per head of population practically being double those of any other nation. This is not in accordance with the statements of the calumniators of England's commerce,

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but it is the fact. The table shows that the United Kingdom is unapproached as a commercial nation. I should like to point out some of the most interesting facts exhibited by the table, but I could not do so without dealing with matters of detail. An examination of the table will be instructive.

§ 4.—England's industrial position is unique; it is the workshop of the world, and its people may be more truly

TABLE SHOWING VALUE OF ANNUAL TRADE PER HEAD.

SPECIAL TRADE.	AVERAGE OF PERIOD.					
	1875-9.	1880-4.	1885-9.	1890-4.	1895-1900.	
United Kingdom	Imports	£ s. d. 9 10 4	£ s. d. 9 15 4	£ s. d. 8 14 2	£ s. d. 9 7 3	£ s. d. 10 0 7
	Exports	6 0 0	6 13 2	6 3 8	6 2 11	6 3 4
	Total	15 10 4	16 8 6	14 17 10	15 10 2	16 3 11
France ...	Imports	4 6 7	5 1 4	4 6 10	4 8 0	4 7 2
	Exports	3 14 11	3 13 5	3 9 3	3 11 4	3 16 7
	Total	8 1 6	8 14 9	7 16 1	7 19 4	8 3 9
Germany	Imports	4 6 1	3 8 3	3 9 5	4 2 2	4 10 4
	Exports	3 3 0	3 8 8	3 5 6	3 2 9	3 10 9
	Total	7 9 1	6 16 11	6 14 11	7 4 11	8 1 1
United States	Imports	2 2 5	2 15 7	2 8 11	2 11 11	2 1 7
	Exports	2 16 3	3 5 11	2 11 10	2 19 0	3 1 7
	Total	4 18 8	6 1 6	5 0 9	5 10 11	5 3 2

termed a nation of manufacturers than a nation of shopkeepers. Many lose sight of England's true greatness, being led astray by a distinguishing characteristic of the average Englishmen—self-disparagement. This English idiosyncrasy, when extended to national matters, often makes an entirely wrong impresson upon the superficial observer. It is one matter to incite our merchants and manufacturers to renewed activity; it is quite another matter to scold them for supineness and lack of elasticity.

The clever manner in which foreign manufacturers take

advantage of the unpatriotic attitude of the English Press is not without a certain amount of grim humour to the student. An American manufacturer obtains an order for a dozen locomotives—full particulars are blazoned throughout the land. The industrial decline of England is the subject of a vast number of newspaper articles, extracts from which appear in the foreign Press, with comments. Foreign rivals eagerly seize the opportunity to vilify their most dreaded competitors out of the utterings of their own countrymen. Our fame is besmirched, it is true; but the American firm obtains a magnificent advertisement. Meanwhile English firms may have obtained orders for a hundred locomotives, but we do not hear about this, as our Press cannot be expected to give our manufacturers gratuitous advertisements. The whole world knew when the Americans obtained orders from the Japanese railway authorities. The whole world is not told that the Japanese now have discarded the American locomotives in favour of those of British manufacture, or that the British sleeping cars have been found to be much better than the American cars and give greater satisfaction. It often pays a foreign manufacturer to undersell his English competitors, for the advertisement which ensues will amply recoup the immediate pecuniary loss he makes upon the transaction. But the wild outcries which result do harm to English commerce.

§ 5.—The defamers of English commerce lay great stress upon the fact that certain branches of foreign trade which were formerly in the hands of the English are now monopolised by their competitors. Many of these facts are well authenticated, and are accounted for by the fact that the English have found more remunerative branches to which they turn their attention, and are thus able to leave the small trade to foreigners. English merchants are not fools, and will not neglect paying trade. Their action is comparable to that of a financier who, when he finds an investment offers less prospect than others, transfers

his attention to one of a more remunerative character. Numerous instances, both abroad and at home, might be quoted in which work formerly entrusted to English firms has been given to foreign firms ; in every case the explanation is that the English firms had too much work in hand to undertake the order. Examples could be given of engineering firms, with three years' work in hand, being obliged to refuse foreign orders.

§ 6.—The croakers already referred to are also very fond of vituperating the Government for its alleged reprehensibility and laxity in the assistance of English commerce ; they would debase the Consuls into mere order-seekers, bagmen for English business houses, and they forget that the whole progress of England is due to the individuality and self-reliance of its people. English traders are able to look after themselves, although it is only natural that strenuous efforts should be needed to keep up with advanced competition. There is no doubt that the Foreign Office has great room for improvement, and could well take a lesson in the issuing of its reports from the lucid and interesting publications of the United States' Office. Many of the English Consular reports are models of what such reports should be, but the majority are of such a chaotic nature as to render their perusal most repellent, and they are lacking in those essential facts which would render them of any real value. On the other hand, the Intelligence Department of the Board of Trade is deserving of great praise. After all, the real work of trade lies with the individual ; the State can only render limited assistance by the supplying of information. The magnificent position of England's commerce is due to individual effort alone, to that marvellous elasticity and power of adjustment to the inexorable mutation caused by new conditions. This is still at work as in the past.

§ 7.—When the whole facts are taken into consideration there is nothing miraculous about the progress of the

trade of the United States ; indeed, the wonder is that it has not been greater. For comparison with the United States of America the United States of Britain should be taken into consideration, and not merely the United Kingdom itself. The British Colonies and the Motherland even then fall far short of the United States of America in population, their combined populations being 10,800,000 less ; but their combined commerce is vastly greater. In 1901 this commerce, including bullion and specie, had a total value of £1,398,000,000, the imports being valued at £826,000,000, and the exports at £572,000,000. The share of the Colonies alone was— imports £201,000,000, exports £184,000,000, the total thus being £385,000,000. Corresponding values of the merchandise, bullion, and specie in the case of the United States were — imports £182,000,000, exports £316,000,000 ; total, £498,000,000. These figures are only roughly approximate, by the way, but they will give an idea of the relative values of British and American trade.

§ 8.—As mentioned in Part I., the reason why the United Kingdom does not appear to greater advantage in the export trade of the nations is the fact that for a large portion of the imports no commercial equivalent is given, owing to England's unique position as the world's commission agent and carrier. The value of England's "invisible" exports is enormous, and the apparent excess of imports over exports is accounted for by the peculiar position of commercial England, and is due to the profitable nature of its business. England is the world's carrier and banker, and has an enormous amount of capital invested abroad. Its shipping, banking, commissions, investments, etc., yield immense profits which have to be paid in goods ; it is this which brings about the preponderance of the imports of merchandise. Our mercantile marine has developed prodigiously during recent years, and there has been a corresponding increase in the magnitude



of our carrying trade. In addition to shipping flying the flag, English merchants are owners of a huge amount of shipping under foreign flags. All this means an addition to English trade, an addition which is of the nature of an export, but which does not figure in the returns. German shipping stands second in the world as regards actual tonnage, but it is far in the rear of England.

§ 9.—The changes in the relative populations of the great nations vastly affect all comparisons which take into consideration merely the absolute growth of trade of the various nations. The population of the British Isles is only about forty-one and a half millions; compare this with Germany's population of fifty-seven millions and the United States' seventy-six and a half millions. These great populations are rapidly increasing, and the relative increase is naturally far in excess of that of the United Kingdom. France is in marked contrast to the other countries, the population being almost stationary.

Again, it is well known that at the time England first gained its great commercial supremacy it had no serious competitors. Therefore it would be only natural that, under improved conditions, the trade of the other countries should show a great comparative increase. One would expect that, as the child grows faster than the man, England's proportion of the aggregate trade of the four nations should decrease considerably.

Where, then, does England stand to-day? The table on page 26 will answer the question. I have constructed it by calculating the proportion which each nation's total general trade bears to the combined trade of the four nations during each of the lustrums dating from 1876. The results are expressed in percentages:—

§ 10.—The facts shown by the table (page 26) are unmistakable. England's position as the predominating trading nation is practically the same throughout the quarter of a century; there are fluctuations, of course, but they are within narrow limits. Contrasting the last lustrum,

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1896—1900, with the first, 1876—1880, although the limits of the contrast are not sufficiently extensive, it will be seen that England's proportion of the nations' trade is less than 2 per cent. smaller than it was. France's proportion has decreased by less than 4 per cent., while America's has increased by a similar amount.

I do not think it necessary to give the similar figures showing the proportions of the total populations, but may state that the United Kingdom's proportion of the population exhibits a decrease corresponding to that shown by

TABLE SHOWING THE SHARES OF THE TRADE OF THE GREAT NATIONS.

	PROPORTION OF AGGREGATE VALUE OF GENERAL TRADE DURING LUSTRUM:				
	1876-1880.	1881-1885.	1886-1890.	1891-1895.	1896-1900.
United Kingdom } Germany ... France ... United States }	39·6	37·2	37·0	39·0	37·7
	21·4	25·1	25·9	21·5	23·2
	23·9	21·5	20·8	20·2	20·1
	15·1	16·2	16·3	19·3	19·0
	100·0	100·0	100·0	100·0	100·0

the trade figures. On the other hand, the United States' proportion of the aggregate populations has risen 7·6 per cent., although its corresponding trade figures show an increase of but 3·9—in fact, it cuts the worst figure of any nation in this comparison. The United States possesses 35·8 per cent. of the population of the four nations and but 19·0 per cent. of the trade, compared to the United Kingdom's 19·5 per cent. of the population and 37·7 per cent. of the trade. France's proportion of the population has decreased by 5·2 per cent., so that its trade contrasts well with the other nations. The most striking fact is

that England's proportion of the aggregate foreign trade of the four great nations is far greater than that of its keenest competitor, and its preponderance has not altered materially during a quarter of a century, despite the strenuous efforts of its rivals. I do not think that clearer evidence could be required to prove that "the complete and lamentable decay of British commerce" is a malignant myth.

§ 11.—The foregoing epitomised review of the relative commercial progress made during the present generation by the great trading nations furnishes a considerable amount of food for serious thought. My object is to give the broad comparisons only, and not to form any conjectures or abstruse deductions; I may state, however, that from the figures given it is evident that England still holds the predominant position as a manufacturing nation, and apparently is destined long to continue to hold it, notwithstanding the rapidly increasing formidability of the competition of the other nations. Its volume of trade has very largely increased. That the trade should withstand so well the gross libels upon it is not a subject for wonder when its inherent solidity is considered. So long as the merchants and manufacturers of England are as wide awake as they are at present, so long will its trade continue to prosper, and so long will England remain the dominant commercial and industrial country. It has had a good start, and it has maintained its lead and is likely to retain it. The country has capital, skill, and energy not surpassed by any nation; and there is full opportunity for a further advance.

§ 12.—To sum up: Consideration of all the salient circumstances regarding international trade seems to attest that England's proud position of premier trading nation is by no means in jeopardy. Gauged in different ways, there is strong proof of material progress. Contemptuous views of English trade are due to rank ignorance, at the best. There is not one tittle of evidence that

England has lost her grip of the world's trade, or that her traders and manufacturers have failed to realise the altered and constantly altering conditions of foreign commerce, and to respond elastically to them. As regards commercial expansion, other nations are advancing at a great rate; this notwithstanding, England, so far from exhibiting signs of decay, shows a healthy and vigorous development. To-day English commerce is in a flourishing condition, there is not the slightest foundation for conjecture that any decline is at hand, and there is nothing in the condition of the world's trade to give reasonable ground for alarm as to the future.

MARK WARREN.

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